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1986/04/26

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INDIVIDUAL ITEMS MAY BE FURTHER DISSEMINATED TO U.S. INTEL-
 USERS BASED ON CLASSIFICATION AND NEED TO KNOW. REQUESTS TO
 DISCLOSE ANY INFORMATION CONTAINED IN THIS SUMMARY TO A
 GOVERNMENT SHOULD BE FORWARDED TO COMIFAC FOR APPROVAL IN
 ACCORDANCE WITH CURRENT NATIONAL DISCLOSURE POLICY.
 (U) FORWARD WITHOUT SERVICE. INFORMATION PERISHABLE.

~~THIS SUMMARY CONTAINS FIVE ITEMS.~~

CONDUCT AN AGREEMENT TO SELL [REDACTED] CHINA GAS
AIRCRAFT TO EGYPT. [REDACTED] IF-7 FISH BED FIGHTER
[REDACTED] 7

BEEN ATTEMPTING TO SELL THE F-7 TO SEVERAL SOUTHEAST AND SOUTH
ASIAN COUNTRIES FOR SOME TIME. EGYPT HAS LONG BEEN ONE OF THE
CUSTOMERS FOR CHINESE MILITARY EQUIPMENT. CHINA

HOWEVER, POTENTIAL CUSTOMERS OFTEN REJECT THE ADVANTAGE OF RELATIVELY INEXPENSIVE CHINESE EQUIPMENT IN FAVOR OF TECHNOLOGICALLY SUPERIOR WESTERN OR SOVIET-BLOC SYSTEMS. CHINA AGGRESSIVELY PURSUING FOREIGN MILITARY SALES AS A MEANS OF ACQUIRING FOREIGN EXCHANGE.